

CHAPTER 13

PAYMENTS POLICY

SECTION	SUBJECT
1.1	Network Provider Reimbursement
1.2	Allowable Charges - Non-Network Providers
1.3	Allowable Charges - CHAMPUS Maximum Allowable Charges (CMAC)
1.4	Rebundling Of Procedure Codes
2.1	Reimbursement In Teaching Setting
2.2	National Health Service Corps Physicians Of The Public Health Service
2.5	Reimbursement Of Physician Assistants
2.6	Reimbursement Of Covered Services Provided By Individual Health-Care Professionals And Other Non-Institutional Health-Care Providers
2.7	Economic Interest In Connection With Mental Health Admissions
3.1	Anesthesia
3.1A	Postoperative Pain Management
3.2	Durable Medical Equipment Claims: Basic Program
3.3	Oxygen And Related Supplies
3.4	Laboratory Services
3.5	Ambulance Services
3.6	Legend Drugs And Insulin
3.7	Surgery
3.7A	Assistant Surgeons
3.8	Professional Services: Obstetrical Care
3.9	Birth Center Reimbursement
3.10	Skilled Nursing Services
4.1	Individual Consideration Cases
4.2	Charges For Provider Administrative Expenses
4.4	Payment For Professional/Technical Components Of Diagnostic Services
5.1	State Agency Billing

SECTION	SUBJECT
5.1	Addendum 1 - Figures
	Figure 13-5.1-1-1- Sample State Agency Billing Agreement
6.1A	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General)
6.1B	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (General Description Of System)
6.1C	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Basis Of Payment)
6.1D	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Applicability Of The DRG System)
6.1E	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Determination Of Payment Amounts)
6.1F	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (DRG Weighting Factors)
6.1G	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjusted Standardized Amounts)
6.1H	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Adjustments To Payment Amounts)
6.1I	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Information Provided By TMA)
6.1J	Hospital Reimbursement - TRICARE/CHAMPUS DRG-Based Payment System (Charges To Beneficiaries)
6.2	Hospital Reimbursement - Billed Charges Set Rates
6.3	Hospital Reimbursement - Other Than Billed Charges
6.4	Hospital Reimbursement - Payment When Only SNF Level Of Care Is Required
6.5	Hospital Reimbursement - TRICARE/CHAMPUS Inpatient Mental Health Per Diem Payment System
6.7	Psychiatric Partial Hospitalization Program Reimbursement
6.8	Substance Use Disorder Rehabilitation Facilities Reimbursement
6.9	Hospital Reimbursement - Outpatient Services
7.1	Skilled Nursing Facility (SNF) Reimbursement
8.1	Residential Treatment Center (RTC) Reimbursement
9.1	Ambulatory Surgical Center Reimbursement
9.1	Addendum 1, Section 1 - TRICARE-Approved Ambulatory Surgery Procedures - Integumentary System

SECTION	SUBJECT
9.1	Addendum 1, Section 2 - TRICARE-Approved Ambulatory Surgery Procedures - Musculoskeletal System
9.1	Addendum 1, Section 3 - TRICARE-Approved Ambulatory Surgery Procedures - Musculoskeletal System (Continued)
9.1	Addendum 1, Section 4 - TRICARE-Approved Ambulatory Surgery Procedures - Respiratory System
9.1	Addendum 1, Section 5 - TRICARE-Approved Ambulatory Surgery Procedures - Cardiovascular System
9.1	Addendum 1, Section 6 - TRICARE-Approved Ambulatory Surgery Procedures - Hemic And Lymphatic System
9.1	Addendum 1, Section 7 - TRICARE-Approved Ambulatory Surgery Procedures - Digestive System
9.1	Addendum 1, Section 8 - TRICARE-Approved Ambulatory Surgery Procedures - Urinary System
9.1	Addendum 1, Section 9 - TRICARE-Approved Ambulatory Surgery Procedures - Male Genital System
9.1	Addendum 1, Section 10 - TRICARE-Approved Ambulatory Surgery Procedures - Female Genital System
9.1	Addendum 1, Section 11 - TRICARE-Approved Ambulatory Surgery Procedures - Endocrine System
9.1	Addendum 1, Section 12 - TRICARE-Approved Ambulatory Surgery Procedures - Nervous System
9.1	Addendum 1, Section 13 - TRICARE-Approved Ambulatory Surgery Procedures - Extracranial Nerves, Peripheral Nerves, And Autonomic Nervous System
9.1	Addendum 1, Section 14 - TRICARE-Approved Ambulatory Surgery Procedures - Eye And Ocular Adnexa
9.1	Addendum 1, Section 15 - TRICARE-Approved Ambulatory Surgery Procedures - Auditory System
10.1	Preferred Provider Organization (PPO) Reimbursement
11.1	Cost-Shares And Deductibles
11.1	Table 1 - Benefits And Beneficiary Payments Under The TRICARE Program
12.1	Double Coverage
14.1	Catastrophic Loss Protection
16.1	Waiver Of Liability
16.1	Addendum 1 - Waiver Of Liability - Initial Denial Determinations

SECTION	SUBJECT
16.1	Addendum 2 - Waiver Of Liability - MCS Contractor Reconsideration Determinations
16.1	Addendum 3 - Waiver Of Liability - NQMC Reconsideration Determinations
18.1	Accommodation Of Discounts Under Provider Reimbursement Methods
20.1	Legal Obligation To Pay
22.1A	Hospice Reimbursement - General Overview
22.1B	Hospice Reimbursement - Coverage/Benefits
22.1C	Hospice Reimbursement - Conditions For Coverage
22.1D	Hospice Reimbursement - Guidelines For Payment Of Designated Levels Of Care
24.1	Reduction Of Payment For Noncompliance With Utilization Review Requirements
25.1	Supplemental Insurance
26.1	Point Of Service Option
27.1	Reimbursement Of Emergency Inpatient Admissions To Unauthorized Facilities
	Addendum 1 - Health Benefit Program Agreement
	Addendum 2, Table 1 (FY 1999) - Fiscal Year 1999 TRICARE/CHAMPUS Adjusted Standardized Amounts
	Addendum 2, Table 2 (FY 1999) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmetic And Geometric Mean Lengths-Of-Stay, And Outlier Thresholds For Children's Hospitals And Neonates (Effective For Admissions On Or After 10/01/98)
	Addendum 2, Table 3 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Urban Areas - Effective For Admissions On Or After 10/01/98
	Addendum 2, Table 4 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/98
	Addendum 2, Table 5 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Urban Areas - Effective For Admissions On Or After 04/01/99 (Revised)
	Addendum 2, Table 6 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Rural Areas - Effective For Admissions On Or After 04/01/99 (Revised)

SECTION	SUBJECT
---------	---------

Addendum 2, Table 7 (FY 1999) - Wage Index And Capital Geographic Adjustment Factor (GAF) For Hospitals That Are Reclassified - Effective For Admissions On Or After 04/01/99 (Revised)

Addendum 2, Table 1 (FY 2000) - Fiscal Year 2000 TRICARE/CHAMPUS Adjusted Standardized Amounts

Addendum 2, Table 2 (FY 2000) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmetic And Geometric Mean Lengths-Of-Stay, And Short-Stay Outlier Thresholds (Effective For Admissions On Or After 10/01/99)

Addendum 2, Table 3 (FY 2000) - Wage Index For Urban And Rural Areas - Effective For Admissions On Or After 10/01/99

Addendum 2, Table 4 (FY 2000) - Wage Index For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/99

Addendum 2, Table 1 (FY 2001) - Fiscal Year 2001 TRICARE/CHAMPUS Adjusted Standardized Amounts

Addendum 2, Table 2 (FY 2001) - Diagnosis Related Groups (DRGs), DRG Relative Weights, Arithmetic And Geometric Mean Lengths-Of-Stay, And Short-Stay Outlier Thresholds (Effective For Admissions On Or After 10/01/00)

Addendum 2, Table 3 (FY 2001) - Wage Index For Urban And Rural Areas - Effective For Admissions On Or After 10/01/01

Addendum 2, Table 4 (FY 2001) - Wage Index For Hospitals That Are Reclassified - Effective For Admissions On Or After 10/01/00

Addendum 3, Table 1 (FY 2000 - 2001) - Table Of Maximum Rates For Partial Hospitalization Programs

Addendum 4, Table 1 (FY 1999) - Fiscal Year 1999 Rates For Hospice Care

Addendum 4, Table 2 (FY 1999) - Hospice Rate Information - FY 1999 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 1999) - Hospice Rate Information - FY 1999 Hospice Wage Indexes For Rural Areas

Addendum 4, Table 1 (FY 2000) - Fiscal Year 2000 Rates For Hospice Care

Addendum 4, Table 2 (FY 2000) - Hospice Rate Information - FY 2000 Hospice Wage Indexes For Urban Areas

SECTION SUBJECT

Addendum 4, Table 3 (FY 2000) - Hospice Rate Information - FY 2000 Hospice Wage Indexes For Rural Areas

Addendum 4, Table 1 (FY 2001) - Fiscal Year 2001 Rates For Hospice Care

Addendum 4, Table 2 (FY 2001) - Hospice Rate Information - FY 2001 Hospice Wage Indexes For Urban Areas

Addendum 4, Table 3 (FY 2001) - Hospice Rate Information - FY 2001 Hospice Wage Indexes For Rural Areas

Addendum 4, Exhibit 1 - Participation Agreement For Hospice Program Services For TRICARE/CHAMPUS Beneficiaries

ARTICLE 1 - RECITALS

1.1	Identification of Parties.....	1
1.2	Authority for Hospice Care.....	1
1.3	Intent of Participation Agreement.....	1
1.4	Billing Number.....	1

ARTICLE 2 - PERFORMANCE PROVISIONS

2.1	General Agreement	1
2.2	Coverage/Benefits.....	2
2.3	Conditions For Coverage.....	2
2.4	Certification Requirements.....	3
2.5	Quality of Care	4
2.6	Billing Form	4
2.7	Compliance With TMA Medical Review Activities	4
2.8	Staff Qualifications	4

ARTICLE 3 - PAYMENT PROVISIONS

3.5	TRICARE/CHAMPUS As Secondary Payor.....	7
3.6	Collection Of Cost-Share	7
3.7	Beneficiary's Rights	7

ARTICLE 4 - RECORDS AND AUDIT PROVISIONS

4.1	On-site And Off-site Reviews/Audits.....	7
4.2	Right To Unannounced Inspection Of Records.....	8
4.3	Certified Cost Reports.....	8
4.4	Records Requested by TMA.....	8
4.5	Failure to Comply	8

ARTICLE 5 - GENERAL ACCOUNTING OFFICE

5.1	Right To Conduct Audit	8
-----	------------------------------	---

SECTION SUBJECT

ARTICLE 6 - TERMINATION AND AMENDMENT

6.1	Termination Of Agreement By TMA	9
6.2	Termination Of Agreement By The Hospice Program	9
6.3	Amendment By TMA	9

ARTICLE 7 - CHANGE OF OWNERSHIP

7.1	Change Of Ownership	10
-----	---------------------------	----

ARTICLE 8 - APPEALS

8.1	Appeal Actions	10
-----	----------------------	----

ARTICLE 9 - RECOUPMENT

9.1	Recoupment	11
-----	------------------	----

ARTICLE 10 - NONDISCRIMINATION

10.1	Nondiscrimination	11
------	-------------------------	----

ARTICLE 11 - ORDER OF PRECEDENCE

11.1	Order Of Precedence	11
------	---------------------------	----

ARTICLE 12 - DURATION

12.1	Duration	11
------	----------------	----

ARTICLE 13 - EFFECTIVE DATE

13.1	Date Signed	12
------	-------------------	----

ARTICLE 14 - AUTHORIZED PROVIDER

14.1	Date Recognized	12
------	-----------------------	----

**Addendum 5, Exhibit 1 - Participation Agreement For Substance Use Disorder
Rehabilitation Facility (SUDRF) Services For TRICARE/CHAMPUS Beneficiaries**

ARTICLE 1 - RECITALS

1.1	Identification Of Parties	1
1.2	Authority For Substance Use Disorder Rehabilitation Facility Care	1
1.3	Purpose Of Participation Agreement	1

ARTICLE 2 - DEFINITIONS

2.1	Authorized TMA Representatives	1
2.2	Billing Number	1
2.3	Admission And Discharge	2
2.4	Mental Disorder	2
2.5	Substance Use Disorder Rehabilitation Facility	2

SECTION SUBJECT

ARTICLE 3 - PERFORMANCE PROVISIONS

3.1	General Agreement	3
3.2	Limit On Rate Billed	3
3.3	Accreditation And Standards	4
3.4	Quality Of Care	5
3.5	Billing Form	5
3.6	Compliance With TMA Utilization Review Activities.....	5
3.7	Professional Staff Organization	6
3.8	Professional Staff Qualifications.....	6

ARTICLE 4 - PAYMENT PROVISIONS

4.1	Rate Structure: Determination Of Rate.....	6
4.2	Inpatient SUDRF Services Included In DRG Payment	7
4.3	Partial Hospitalization SUDRF Services Included In Per Diem Payment.....	7
4.4	Other Payment Requirements.....	7
4.5	Prerequisites for Payment	7
4.6	TRICARE/CHAMPUS-Determined Rate As Payment In Full	8
4.7	TRICARE/CHAMPUS As Secondary Payor	9
4.8	Collection Of Cost-Share	9
4.9	Beneficiary's Rights	9

ARTICLE 5 - RECORDS AND AUDIT PROVISIONS

5.1	On-Site And Off-Site Reviews/Audits.....	9
5.2	Right To Unannounced Inspection Of Records.....	10
5.3	Certified Cost Reports.....	10
5.4	Records Requested By TMA	10
5.5	Failure to Comply	10

ARTICLE 6 - NONDISCRIMINATION

6.1	Nondiscrimination.....	11
-----	------------------------	----

ARTICLE 7 - AMENDMENT

7.1	Amendment By TMA.....	11
-----	-----------------------	----

ARTICLE 8 - CHANGE OF OWNERSHIP

8.1	Assignment Barred	11
8.2	Agreement Ends.....	12
8.3	New Agreement Required	12

ARTICLE 9 - REPORTS

9.1	Incident Reports.....	13
9.2	Disaster Or Emergency Reports	13
9.3	Reports Of SUDRF Changes	13

SECTION SUBJECT

ARTICLE 10 - GENERAL ACCOUNTING OFFICE	
10.1 Right To Conduct Audit.....	14

ARTICLE 11 - APPEALS	
11.1 Appeal Actions	14

ARTICLE 12 - TERMINATION	
12.1 Procedure For Termination Of Agreement By TMA	14
12.2 Basis For Termination Of Agreement By TMA	14
12.3 Termination Of Agreement By The SUDRF	15

ARTICLE 13 - RECOUPMENT	
13.1 Recoupment	16

ARTICLE 14 - ORDER OF PRECEDENCE	
14.1 Order Of Precedence.....	16

ARTICLE 15 - DURATION	
15.1 Duration.....	16
15.2 Reapplication	16

ARTICLE 16 - EFFECTIVE DATE	
16.1 Effective Date	17

ARTICLE 17 - AUTHORIZED PROVIDER	
17.1 TRICARE/CHAMPUS-Provider Status	17

Addendum 5, Exhibit 2 - TRICARE/CHAMPUS Standards For Inpatient
Rehabilitation And Partial Hospitalization For The Treatment Of Substance Use
Disorders (SUDRFs)

I. Organization And Administration	1
II. Treatment Services	12
III. Physical Plant and Environment.....	29
IV. Evaluation System.....	32

Addendum 6, Exhibit 1 - Participation Agreement For Residential Treatment
Center (RTC)

ARTICLE 1 - RECITALS	
1.1 Identification Of Parties	1
1.2 Authority For Residential Treatment Center Care.....	1
1.3 Purpose Of Participation Agreement.....	1

ARTICLE 2 - DEFINITIONS	
2.1 Authorized TMA Representatives.....	1
2.2 Billing Number	1

SECTION SUBJECT

2.3	Admission And Discharge	1
2.4	Mental Disorder	2
2.5	Residential Treatment Center	2
2.6	Therapeutic Absence	3

ARTICLE 3 - PERFORMANCE PROVISIONS

3.1	General Agreement	3
3.2	Limit On Rate Billed	3
3.3	Accreditation And Standards	3
3.4	Quality Of Care	5
3.5	Billing Form	5
3.6	Compliance With TMA Utilization Review Activities.....	5
3.7	Professional Staff Organization	6
3.8	Professional Staff Qualifications.....	6

ARTICLE 4 - PAYMENT PROVISIONS

4.1	Rate Structure: Determination Of Rate.....	6
4.2	Rtc Services Included In Per Diem Payment	7
4.3	Other Payment Requirements.....	8
4.4	Prerequisites For Payment.....	8
4.5	TRICARE/CHAMPUS-Determined Rate As Payment In Full	9
4.6	TRICARE/CHAMPUS As Secondary Payor.....	9
4.7	Collection Of Cost Share.....	9
4.8	Beneficiary's Rights	10

ARTICLE 5 - EDUCATIONAL COSTS

5.1	Reimbursement Of Educational Services.....	10
5.2	Exclusion From Per Diem Rate	10
5.3	Accounting Requirements	10

ARTICLE 6 - RECORDS AND AUDIT PROVISIONS

6.1	On-site And Off-Site Reviews/ Audits	11
6.2	Right To Unannounced Inspection Of Records.....	11
6.3	Certified Cost Reports.....	11
6.4	Records Requested By TMA	11
6.5	Failure To Comply	12

ARTICLE 7 - NONDISCRIMINATION

7.1	Nondiscrimination.....	12
-----	------------------------	----

ARTICLE 8 - AMENDMENT

8.1	Amendment By TMA.....	12
-----	-----------------------	----

ARTICLE 9 - CHANGE OF OWNERSHIP

9.1	Assignment Barred	13
9.2	Agreement Ends.....	13

SECTION SUBJECT

9.3	New Agreement Required	13
ARTICLE 10 - REPORTS		
10.1	Incident Reports	14
10.2	Disaster Or Emergency Reports.....	14
10.3	Reports Of RTC Changes	14
ARTICLE 11 - GENERAL ACCOUNTING OFFICE		
11.1	Right To Conduct Audit.....	15
ARTICLE 12 - APPEALS		
12.1	Appeal Actions	15
ARTICLE 13 - TERMINATION		
13.1	Procedure For Termination Of The Agreement By TMA.....	15
13.2	Basis For Termination Of The Agreement By TMA.....	15
13.3	Termination Of Agreement By The RTC	16
ARTICLE 14 - RECOUPMENT		
14.1	Recoupment	17
ARTICLE 15 - ORDER OF PRECEDENCE		
15.1	Order Of Precedence.....	17
ARTICLE 16 - DURATION		
16.1	Duration.....	17
16.2	Reapplication	17
ARTICLE 17 - EFFECTIVE DATE		
17.1	Effective Date	18
ARTICLE 18 - AUTHORIZED PROVIDER		
18.1	TRICARE/CHAMPUS-Provider Status	18
Addendum 7 - Guidelines For The Calculation Of Individual Residential Treatment Center (RTC) Per Diem Rates		
A.	Data Collection Form.....	1
B.	Administrative Support	1
C.	Review And Analysis Of Submitted Information	2
D.	Base Year Calculations	4
E.	Adjustment Of Base Year Rate	5
F.	Calculation Of Rtc Per Diem Rate.....	7

